

**OFFICE OF ATTORNEY GENERAL'S STATEMENT  
OF POLICY FOR CONTRACT PREAPPROVAL**

In this **STATEMENT OF POLICY**, we explain how to submit a contract for preapproval by the Office of Attorney General under the **Plain Language Consumer Contract Act (PLA)**.

**I. MATERIALS USED IN PREAPPROVAL**

1. APPLICATION FOR CONTRACT PREAPPROVAL
2. TEST OF READABILITY
3. ILLUSTRATIONS FOR TEST OF READABILITY

**YOU CAN REQUEST ANY OF THESE MATERIALS BY WRITING OR CALLING THE OFFICE OF ATTORNEY GENERAL:**

Office of Attorney General  
Bureau of Consumer Protection  
14th Floor, Strawberry Square  
Harrisburg, PA 17120  
ATTN: PLA  
(717)787-9707 or 1-800-441-2555

Please ask for the Plain Language Contract Preapproval Materials.

**II. CONTRACTS AND LANGUAGE SUBJECT TO PREAPPROVAL**

The **PLA** and our preapproval apply only to consumer contracts as defined under Section 3, 73 P.S. Section 2203. For the purpose of the **PLA**, a Consumer Contract is mainly limited to transactions primarily for personal, family or household purposes in amounts up to \$50,000. In the opinion of the Attorney General, the **PLA** applies to contracts executed after the effective date of the **PLA**.

**III. DEFINITIONS**

Section 3 of the **PLA** contains definitions as follows:

**"Consumer."** Any individual who borrows, buys, leases or obtains credit, money, services or property under a consumer contract.

**"Consumer contract" or "contract."** A written agreement between a consumer and a party acting in the usual course of business, made primarily for personal, family or household purposes in which a consumer does any of the following:

1. Borrows money;

2. Buys, leases or rents personal property, real property or services for cash or on credit;
3. Obtains credit;

#### **IV. EXCLUSIONS**

The **PLA** excludes certain contracts from its application as stated under Section 4, 73 P.S. Section 2204. The exclusions include:

1. Real estate conveyance documents and contracts, deeds and mortgages, real estate certificates of title and title insurance contracts;
2. Consumer contracts involving amounts of more than \$50,000;
3. Marital agreements;
4. Contracts to buy securities;
5. Documents used by financial institutions, which financial institutions are subject to examination or other supervision by Federal or State regulatory authorities, or documents used by affiliates, subsidiaries or service corporations of such financial institutions;
6. Contracts for insurance or insurance policies;
7. Contracts subject to examination or other supervision by the Pennsylvania Public Utility Commission or by the Federal Energy Regulatory Commission;
8. Commercial leases;

## **V. POLICY IN PREAPPROVING CONTRACTS**

We use the **TEST OF READABILITY** in preapproving consumer contracts. We consider the contract as a whole. We take into account the nature and complexity of the transaction, the identity of the parties and the information that the parties need about their rights and responsibilities.

We will try to provide helpful information. We cannot rewrite your contract for you.

## **VI. INSTRUCTIONS FOR OBTAINING PREAPPROVAL**

You must submit an **APPLICATION FOR CONTRACT PREAPPROVAL** even if you submit several similar contracts. If you have several similar contracts, we suggest that you submit only one for preapproval. You can then use the preapproved contract as your model for other similar contracts. However, each separate contract must be preapproved before it can be represented as complying with the Plain Language Consumer Contract Act.

### **To obtain preapproval:**

1. Complete the **APPLICATION FOR CONTRACT PREAPPROVAL**;
2. Enclose **3 copies of each contract** you wish preapproved;
3. Underline in red on each copy any language required by Federal or State law or regulation; and
4. Mail the Application and 3 copies of each contract to:

**Office of Attorney General  
Bureau of Consumer Protection  
14th Floor, Strawberry Square  
Harrisburg, Pennsylvania 17120  
Attn: PLA-P**

**WE CAN BEGIN PROCESSING YOUR CONTRACT ONLY AFTER WE RECEIVE ALL REQUESTED INFORMATION.**

## **VII. HOW WE CONDUCT OUR PREAPPROVAL.**

We will use the **TEST OF READABILITY** as a checklist. A checkmark(s) indicates the contract fails the **TEST OF READABILITY** for preapproval purposes. A number(s) written on your contract corresponds with the number on the **TEST OF READABILITY**. Please contact the Office of Attorney General if you wish to check on the status of your contract.

## **VIII. DETERMINATION.**

We will return to you a copy of the contract and **TEST OF READABILITY**, if applicable. We will advise you whether the contract is preapproved as complying with the **PLA**. If the contract does not meet the **TEST OF READABILITY** under 72 P.S. Section 2205, you may make changes and resubmit your contract. You need to complete a new application if you decide to submit your contract again.

If we determine that your contract is not a consumer contract subject to preapproval under the **PLA**, we will decline to preapprove it.

## **IX. EFFECT OF PREAPPROVAL.**

Any consumer contract preapproved by the Office of Attorney General is deemed to comply with the **PLAIN LANGUAGE CONSUMER CONTRACT ACT**.

**PLEASE NOTE THE LIMITED EFFECT OF PREAPPROVAL UNDER THIS ACT. PLAIN LANGUAGE APPROVAL OF THE WORDING AND FORMAT OF A CONTRACT (OR ANY WRITING REQUIRED TO COMPLETE A CONSUMER TRANSACTION) DOES NOT MEAN OR IMPLY THAT ITS CONTENTS ARE APPROVED BY THE OFFICE OF ATTORNEY GENERAL. ANY ORAL OR WRITTEN REFERENCE TO PLAIN LANGUAGE APPROVAL SHOULD BE ACCOMPANIED BY THE FOLLOWING STATEMENT:**

***IN THE OPINION OF THE OFFICE OF ATTORNEY GENERAL, PREAPPROVAL OF A CONSUMER CONTRACT SATISFIES THE TEST OF READABILITY UNDER 72 P.S. SECTION 2205 OF THE PLAIN LANGUAGE CONSUMER CONTRACT ACT. PREAPPROVAL OF A CONTRACT WILL BE CONSIDERED BY THE OFFICE OF ATTORNEY GENERAL AS A GOOD FAITH EFFORT TO COMPLY WITH THE PLAIN LANGUAGE CONSUMER CONTRACT ACT UNDER 72 P.S. SECTION 2208 (a)(3). PREAPPROVAL OF A CONSUMER CONTRACT BY THE OFFICE OF ATTORNEY GENERAL ONLY MEANS THAT SIMPLE, UNDERSTANDABLE AND EASILY READABLE LANGUAGE IS USED.***

*IT IS NOT AN APPROVAL OF THE CONTRACT'S CONTENTS OR  
LEGALITY.*